

Self Assessment Tax Returns

We understand that savings or investments can sometimes give rise to taxable income, which may require you to complete a Self Assessment tax return.

Self Assessment is required for various reasons, but in relation to savings and investments, it generally applies if:

- **Dividend income is above the dividend allowance.** Since the 2024/25 tax year, this has been £500, meaning that any dividend income above £500 is taxable. This does not apply to ISAs or pensions **but may apply to Investment Accounts.** Dividends are payments made to shareholders, usually as a result of profit, typically distributed automatically at set intervals throughout the year and reinvested within your portfolio.
- **Capital gains exceed the annual Capital Gains Tax (CGT) allowance.** Since the 2024/25 tax year, the CGT allowance has been **£3,000**, meaning any gains above this amount may be taxable. This can occur when investments are sold, whether for cash or to reinvest elsewhere. It does not apply to ISAs or pensions but may apply to Investment Accounts. CGT can arise when you sell an investment for more than you paid for it and is calculated based on the profit made after selling, not the total amount received.
- **Interest on savings is above the Personal Savings Allowance.** For basic rate taxpayers, up to £1,000 of savings interest is tax-free; for higher rate taxpayers, the allowance is **£500**. For additional rate tax payers, there is no Personal Savings Allowance. Any savings income above these limits may be taxable. It does not apply to ISAs or pensions and would only apply to Investment Accounts with significant cash holdings. Savings income typically includes interest paid on bank accounts, savings accounts, or other fixed-income investments.

If you believe you may be due tax, you can check with your platform or provider (e.g. Quilter) or your bank for details on dividends, CGT, or accrued interest.

The HMRC website provides a wealth of information about how to check if you require a Self Assessment and how to do it.

- ✓ To check whether you may need to submit a tax return (as well as other helpful links): www.gov.uk/check-if-you-need-tax-return ➔

In some cases, it may also be possible to make a tax payment without the need for a Self Assessment.

- ✓ To arrange payment of dividend tax only, go to: www.gov.uk/tax-on-dividends/how-to-report-tax-on-dividends ➔

- ✓ To arrange a CGT payment only, go to: www.gov.uk/report-and-pay-your-capital-gains-tax/if-you-have-other-capital-gains-to-report ➔

To discuss or arrange to pay tax on savings interest, you can contact HMRC on 0300 200 3300.

Alternatively, you may use an accountant to submit a tax return on your behalf. This will of course incur their own charge.

EIS Financial Services does not provide tax planning advice.

The Financial Conduct Authority does not regulate tax advice.

This information is based on our current understanding of taxation legislation and regulations as of tax year 2025/26.

Any levels quoted and reliefs from taxation are subject to change. Tax implications will be based on your individual circumstances.

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